

### **DETAILED ACTION**

1. The following communication is in response to Applicant's amendment filed 03 August 2010.

#### ***Status of Claims***

2. Claim 1 is amended. Claims 2-22 and 24-58 are as previously presented. Claim 23 is original. Claims 1-58 are currently pending.

#### ***Response to Arguments***

3. Applicant's arguments, filed 03 August 2010, with respect to 1-29, 32-46 and 50-57 have been fully considered and are persuasive. The rejection of 03 February 2010 has been withdrawn.
4. Applicant's arguments, filed 03 August 2010, with respect to 30-31, 47-49 and 58 have been fully considered but they are not persuasive.

Applicant argues (pg. 20):

With respect to claims 30, 31, and 49, Applicant maintains that the cited art fails to teach "... a function responsive to card activity, to a mortgage payment so as to produce a mortgage interest rate deduction computed for the year. Forward's manner of incentive, as best as it is understood, would not qualify for a mortgage interest rate deduction computed for the year; nor would Forward's manner of incentive qualify for a mortgage tax deduction. The Office Action fails to explain how the incentive would qualify, which is a PTO burden in establishing a prima facie case of obviousness. Further, contrary to the Office Action, the element is positively recited.

In response, the Examiner maintains that Forward's manner of executing an incentive for paying "several months mortgage payment" would qualify for a mortgage interest rate deduction.

Forward discloses in col. 5, lines 20-40:

- (a) Various incentives such as cleaning services, landscaping, pool installation; in addition to "several months mortgage payment"

As interpreted, the parties providing these services/mortgage would be the third party(-ies) that Forward refers to in (d) below.

Forward discloses in col. 6, lines 4-29:

- (b) Various methods in which a seller/builder of a house would compensate (e.g. commission/fee) the "item locator system" for listing a house for sale

Forward discloses in col. 6, lines 30-41:

- (c) The seller paying the "item locator system" at closing the appropriate commission/fee.

At this point, one skilled in the art of finance (i.e. mortgages and loans) would understand that the house has been sold and the buyer now has a mortgage.

Forward discloses in col. 6, lines 42-52:

- (d) The item locator system "executes the incentive" using the appropriate device (e.g. certificate, check, etc.). In the case of the buyer/house, Forward discloses the execution the incentive in two ways:

1<sup>st</sup> – indirectly, via the buyer to the third party (i.e. mortgagee)

2<sup>nd</sup> – directly, via paying the third party directly.

The Examiner maintains that the check provided to the third party exactly represents the “several months mortgage payment” (i.e. principle and interest). In addition, because the payments are mortgage payments, they qualify by law as mortgage tax deduction.

### ***Claim Objections***

5. Claim1-29, 32-46 and 50-57 are objected to; however, the claims would be allowable if agreed upon claim amendments were made.

### ***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 30-31, 47-49 and 58 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wilcox et al. (hereinafter Wilcox) U.S. Patent 7,072,851 in view of NPL The Banks Fight Back by Co-Opting Cobranding (hereinafter Wells Fargo) in further view of Forward U.S. Patent 6,578,011.

Regarding independent claims 31, 47 and 48, Wilcox teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (column 3, line 60 thru column 4, line 24);

determining a reward by calculating a function responsive to the card activity (column 4, line 41 thru column 5, line 55); crediting the reward to the mortgage, said mortgage including interest (column 6, lines 26-39) and generating output including the charge card activity-based mortgage crediting (column 6, lines 26-39). Wilcox fails to teach that some of the reward is applied to the interest of the mortgage.

Wells Fargo teaches a credit card linked with mortgages (page 2, paragraph after Primary Objective). The credit card gives customers a rebate on purchases that can be applied to points, fees or mortgages refinanced at Wells Fargo (page 2, paragraph after Primary Objective). Unused rebates can be applied to buy down the mortgage's interest (page 2, paragraph after Primary Objective). Therefore Wells Fargo teaches applying a credit card reward against the interest rates, and thus also against the interest payment. Even if it could be argued that the reward is not applied to the interest, Forward teaches a reward system in which a web-site offers a reward for participation in a transaction (column 2, lines 46-67). The reward includes providing several months mortgage payment, and is executed using an electronic certificate, identification number, check, coupon or other device (column 5, lines 20-40 and column 6, lines 42-52). Since a mortgage includes principal and interest, the provided several months mortgage payment would be applied to both principal and interest.

Therefore it would have been obvious to a person of ordinary skill in the art at the time of the Applicant's invention to modify the mortgage rewards teachings of Wilcox to include the mortgage reward teachings of Wells Fargo and the mortgage reward

teaches of Forward because it provides an incentive for mortgage customers to enter into a transaction or sign-up for credit cards.

8. Claim 30 is rejected under 35 U.S.C. 103(a) as being unpatentable over Wilcox et al. (hereinafter Wilcox) U.S. Patent 7,072,851 in view of NPL The Banks Fight Back by Co-Opting Cobranding (hereinafter Wells Fargo) in further view of Forward U.S. Patent 6,578,011 in further view of Pettit U.S. Patent 4,722,554.

Regarding claim 30, Wilcox in view of Wells Fargo in further view of Forward teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (column 3, line 60 thru column 4, line 24); determining a reward by calculating a function responsive to the card activity (column 4, line 41 thru column 5, line 55); crediting the reward to the mortgage, said mortgage including interest (column 6, lines 26-39) and generating output including the charge card activity-based mortgage crediting (column 6, lines 26-39). Wilcox teaches payment by check (column 6, lines 26-39). Forward also teaches executing the incentive using checks and coupons (column 6, lines 42-52). Wilcox in view of Wells Fargo in further view of Forward fails to specify printing a check for the amount; printing a coupon with the amount for carrying out the payment of the mortgage with the check; and combining the check and the coupon with a statement of the card activity in an envelope so as to address the envelope to the cardholder. Pettit teaches an alternative value paper refund form in which a negotiable instrument, nominally a check, and one or more coupons. The form is typically used for a rebate or refund (column 3,

lines 30-47 and column 9, lines 3-25). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Wilcox in view of Wells Fargo in further view of Forward to include payment through postage because it is an efficient manner to transmit payment information stemming from a rebate or refund and is extremely well known in the financial and billing arts.

9. Claim 49 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wilcox et al. (hereinafter Wilcox) U.S. Patent 7,072,851 in view of NPL The Banks Fight Back by Co-Opting Cobranding (hereinafter Wells Fargo) in further view of Forward U.S. Patent 6,578,011 in view of Oppenheimer U.S. Patent 5,983,206 .

Regarding independent claim 49, Wilcox in view of Wells Fargo in further view of Forward teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (column 3, line 60 thru column 4, line 24); determining a reward by calculating a function responsive to the card activity (column 4, line 41 thru column 5, line 55); crediting the reward to the mortgage, said mortgage including interest (column 6, lines 26-39). Wilcox in view of Wells Fargo in further view of Forward fails to teach mortgage-backed securities. Oppenheimer teaches a process for creating new mortgage instruments and calculating payment obligations taking into consideration mortgage backed securities (column 4, lines 20-51). Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the reward

teachings of Wilcox in view of Wells Fargo in further view of Forward relating to a mortgage to include the mortgage-backed securities as taught by Oppenheimer because it still outputs a mortgage amount off of which the reward can be determined.

### ***Conclusion***

**10. THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to GREGORY JOHNSON whose telephone number is (571)272-2025. The examiner can normally be reached on Monday - Friday, 8:30AM - 5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ALEXANDER KALINOWSKI can be reached on (571) 272-6771. The fax

phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Alexander Kalinowski/  
Supervisory Patent Examiner, Art Unit 3691

GREGORY JOHNSON  
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